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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2022/2023

BBF3104 – OFFSHORE BANKING AND FINANCE
(All sections/Groups)

10 JULY 2023
9.00 a.m – 11.00 a.m
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of 2 pages.
2. Attempt **ALL** questions. The distribution of the marks for each question is given.
3. Please write all your answers in the Answer Booklet provided.

QUESTION 1

Assuming you are a compliance officer in a bank and responsible for anti-money laundering regulations. A new customer named James Ong, who owns a small consulting business, recently opened an account with the bank. James Ong has been on several occasion depositing large sums of cash into his account and make cash withdrawals. His actions have raised suspicions of money laundering. Your task is to investigate the case and determine whether James Ong has engaged in money laundering, and if so, which of the three stages of money laundering he has undertaken.

- (a) Explain the importance of anti-money laundering regulations and the role of banks in preventing money laundering.
(10 marks)
- (b) Identify the red flags that suggest James Ong may be engaged in money laundering.
(5 marks)
- (c) Determine and explain which of the three stages of money laundering James Ong has engaged in.
(10 marks)

(Total: 25 marks)

QUESTION 2

There are three common captive insurance company structures namely single-parent, group or association and rent-a-captive. Select any **TWO (2)** of the structures and compare and contrast their shortcomings and advantages.

(Total: 25 marks)

Continued ...

QUESTION 3

Offshore funds are investment vehicles that are established in a country different from the investor's home country. While taxation may be a significant factor in investing in offshore funds, but it is not the only reason. Discuss **FIVE (5)** other reasons why investors choose to invest in offshore funds.

(Total: 25 marks)

QUESTION 4

Answer the following questions:

- (a) Elaborate on assets protection. (5 marks)
- (b) Explain why offshore financial centre location being termed as a jurisdiction instead of a financial district. (15 marks)
- (c) Explain what you understand by "sole regulator." (5 marks)

(Total: 25 marks)

End of Paper